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SENATE

REPORT
No. 98-286

RELEASE OF REVERSIONARY INTEREST OF THE UNITED STATES IN CERTAIN LAND IN SOUTH CAROLINA

OCTOBER 31, 1983.—Ordered to be printed

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, submitted the following

REPORT

[To accompany S. 566]

The Committee on Agriculture, Nutrition, and Forestry, to which was referred the bill (S. 566) to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

SHORT EXPLANATION

The bill directs the Secretary of Agriculture, on behalf of the United States, to release a reversionary interest in 1.99 acres of land located in Sumter County, S.C. This land is part of a larger tract that was conveyed to the South Carolina State Commission of Forestry in 1955. All the land was conveyed subject to a condition that the land be used for public purposes and, if the land is not used for such purposes, it reverts back to the United States.

Under the bill, the Secretary of Agriculture is to release the reversionary interest only with respect to the 1.99 acres and only on condition that the land not be sold, leased, exchanged, or otherwise disposed of, except to the Tiverton Baptist Church of Sumter, S.C. The bill also establishes specific procedures by which the South Carolina State Commission of Forestry may acquire the mineral rights associated with the 1.99 acres of land.

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COMMITTEE AMENDMENT

The committee amendment to the bill is technical in nature, making clarifying and other clerical changes.

BACKGROUND AND NEED FOR LEGISLATION

In 1937, the United States acquired a parcel of land in South Carolina known as the Poinsett Land Utilization project. The land was acquired under the authority of title III of the Bankhead-Jones Farm Tenant Act and was administered under the jurisdiction of the Department of Agriculture. In 1939, through an agreement between the United States and the State of South Carolina, the South Carolina State Commission of Forestry gained the use of the land and established the Manchester State Forest. This 28,718.59-acre parcel of land was conveyed to the State of South Carolina on June 28, 1955, under the authority of section 32(c) of title III of the Bankhead-Jones Farm Tenant Act. The United States retained an undivided three-fourth interest in all coal, oil, gas, and other minerals not outstanding of record.

The Bankhead-Jones Farm Tenant Act requires that any deed of conveyance under title III be conditioned on the land being used only for public purposes. Thus, the deed effecting the 1955 transfer contained a condition establishing the right of reversion of ownership to the United States if the land ceased to be used for public purposes.

The Tiverton Baptist Church stood on 1.99 acres of this property before the United States acquired it. The church had been given permission to use the land by a previous private owner. The occupancy continued after the 1955 grant to the State. Although the State was aware of the encroachment, it did not seek to resolve it.

Several years ago, the Tiverton Baptist Church approached the South Caroline State Commission of Forestry, which has jurisdiction over the land in the Manchester State Forest, about the possibility of obtaining title to the property upon which the church's actual structure is located. It is the understanding of the committee that the State Commission of Forestry has approved the church's request and is willing to transfer title to the 1.99 acres if the public purpose reverter clause is removed. S. 566 would accomplish removal of the reverter clause.

COMMITTEE CONSIDERATION

On September 22, 1983, the Subcommittee on Soil and Water Conservation, Forestry, and Environment, chaired by Senator Jepsen, held hearings on S. 566. The Honorable John B. Crowell, Jr., Assistant Secretary of Agriculture for Natural Resources and Environment, testified on behalf of the Department of Agriculture. After reviewing the background of the problem, Mr. Crowell testified that, because of the State's support of the bill and the fact that the bill would clear up a long-standing "innocent" encroachment, the Department of Agriculture had no objection to enactment of S. 566.

On October 19, 1983, the committee met in open session and considered S. 566. The committee also considered amendment No. 2323 to

S. 566, introduced by Senator Hollings and Senator Thurmond as a substitute for the bill. Amendment No. 2323 provides for the release, on behalf of the United States, of the public use condition and the reversionary clause with respect to (1) the 1.99 acres of land to be conveyed to the Tiverton Baptist Church, and (2) approximately 22.715 acres of land in the Manchester State Forest in Sumter County, S.C., that is covered by the same deed of conveyance to the South Carolina State Commission of Forestry. Release of the public use condition and reversionary clause with respect to the 22-acre tract would be conditioned on the exchange of that tract for a tract consisting of approximately 45.43 acres located in Sumpter County. The 45.43-acre tract would then be devoted exclusively to public purposes.

After discussion of the bill and the amendment and since the Department of Agriculture had not had sufficient time to examine all the facts surrounding the 22-acre land exchange, the committee decided to report S. 566 without amendment No. 2323. The committee has asked the Department of Agriculture for a report on that amendment. By voice vote, the committee agreed to report S. 566 to the Senate with the recommendation that it pass.

SECTION-BY-SECTION ANALYSIS

Section 1 directs the Secretary of Agriculture, on behalf of the United States, to release a reversionary interest in approximately 1.99 acres of land located in Sumter County, S.C. This land is part of a larger tract that was conveyed to the South Carolina State Commission of Forestry in a deed dated June 28, 1955. All the land conveyed in such deed was conveyed subject to a condition requiring that the land (1) be used for public purposes and (2) revert back to the United States, should the land cease to be used for such purposes. This section also contains a legal description of the 1.99 acres.

Section 2 provides tht the Secretary release the reversionary interest only with respect to the 1.99 acres of land that is the subject of the bill. In consideration for the release of this reversionary interest, the South Carolina State Commission of Forestry must agree that the 1.99 acres of land will not be sold, leased, exchanged, or otherwise disposed of, except to the Tiverton Baptist Church of Sumter, S.C. If the land is sold to the Tiverton Baptist Church, the proceeds from the sale must be deposited in an account that is subject to inspection by the Secretary. If the proceeds are withdrawn from this account, they must be used exclusively for public purposes.

Section 3 provides that, after the Secretary of Agriculture has released the reversionary interest in the 1.99 acres of land, the South Carolina State Commission of Forestry may acquire the mineral interests in the 1.99 acres. Under the bill, the commission must pay the administrative costs associated with the conveyance of the mineral interests, including those associated with (1) determining the mineral character of the 1.99 acres of land and (2) determining the fair market value of the mineral interests. In acquiring the mineral interests, the commission must pay their fair market value, if they are determined to have value, or $1, if they are determined to have no mineral value.

ADMINISTRATION VIEWS

In a letter to Chairman Helms dated September 21, 1983, Secretary of Agriculture John Block stated that the Department of Agriculture had no objection to enactment of the portions of S. 566 relating to the release of the reversionary interest in the 1.99 acres. Secretary Block deferred to the Department of the Interior concerning that portion of the bill relating to the disposal of the mineral interests of the United States.

The letter to Chairman Helms reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 21, 1983.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you requested, here is our report on S. 566, a bill "To direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission."

The Department of Agriculture has no objection to the enactment of sections 1 and 2 of S. 566 concerning the release of the reversionary interest. We defer to the Department of the Interior's views on sections 3, 4, and 5 relating to the disposal of the mineral interests.

S. 566 would direct the Secretary of Agriculture to release the South Carolina State Commission of Forestry from a condition in a deed between the United States and the Commission that requires that lands conveyed by the United States be used for public purposes and revert back to the United States if the lands should cease to be used for public purposes. The bill would affect 1.99 acres of the State land and would require the State to convey the land to the Tiverton Baptist Church of Sumter, South Carolina. The bill also provides that individual mineral interests held by the United States in the tract shall be conveyed by the Secretary of the Interior upon application and payment of administrative costs by the Commission. If the Department of the Interior determines that the 1.99-acre tract has no mineral value, the mineral interest would be sold for $1; otherwise, the mineral interests would be conveyed at fair market value.

The land in question is part of the Land Utilization Project (SC–LU–5) known as the Poinsett Project. The Federal Government acquired this land under the authority of Title III of the Bankhead-Jones Farm Tenant Act of 1937. Through a Cooperative and License Agreement between the United States and the State signed in 1939, the State Commission of Forestry gained use of the land and established the Manchester State Forest. This land, totaling 28,718.59 acres, was granted to the State by a deed signed June 28, 1955, for the sum of $1. The United States retained an undivided three-fourth interest in all coal, oil, gas, and other minerals not outstanding of

record. The conveyance was also made subject to the public purpose reverter clause that states that if the land ceases to be used for public purposes it shall immediately revert to the United States.

It is our understanding that the Tiverton Baptist Church existed on the tract before the United States acquired the property, having been given permission to use the land by a previous private owner. The occupancy continued after the 1955 grant to the State, which, although aware of the encroachment, did not seek to resolve it. We understand that the State will donate the 1.99-acre tract to the church if the public purpose reverter clause is removed. The action proposed by S. 566 is similar to that taken in 1968 (82 Stat. 871) with regard to 72 acres of the State forest.

Because the bill would clean up a longstanding "innocent" encroachment and is supported by the State Commission of Forestry, we have no objection to its enactment.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BLOCK, *Secretary.*

COST ESTIMATE

I.

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the committee estimates that only nominal cost will be incurred by the Federal Government as a result of the enactment of this legislation.

II.

The committee's estimate of the cost of the bill is consistent with the estimate of the bill's cost that was prepared by the Congressional Budget Office. The letter to Chairman Helms from that Office reads as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., October 24, 1983.

Hon. JESSE A. HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 566, a bill to direct the Secretary of Agriculture to release on behalf of the United States a reversionary interest in certain land conveyed to the South Carolina State Commission of Forestry, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to such Commission, as ordered reported by the Senate Committee on Agriculture, Nutrition and Forestry, October 19, 1983.

This bill directs the Secretary of Agriculture to release approximately two acres of land in the Manchester State Forest, South Caro-

lina, from a public purpose reversionary clause in order to allow the state to convey this land to the Tiverton Baptist Church of Sumter, South Carolina. The bill stipulates that all proceeds to the state from this conveyance are to be used exclusively for public purposes. S. 566 also directs the Secretary of the Interior to convey to the South Carolina State Commission of Forestry (upon application by the commission) all undivided mineral interests of the United States in the affected tract of land for the fair market value of these interests, or, if there is no active mineral development or leasing and it is determined that the lands have no mineral value, for one dollar. The bill provides that all administrative costs of the mineral conveyance are to be paid by the South Carolina State Commission of Forestry. Based on information from the National Forest Service, it is expected that no significant costs will be incurred or receipts realized by the federal, state or local governments as a result of enactment of this legislation.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

RUDOLPH G. PENNER, *Director.*

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the committee makes the following evaluation of the regulatory impact that would be incurred in carrying out S. 566.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses, nor will there be an effect on personal privacy, since the purpose of the bill is to direct the Secretary of Agriculture to release a reversionary interest, held by the United States, in a 1.99-acre tract of land. A small amount of paperwork will result from the enactment of S. 566 in the form of legal documents that must be filed to consummate the release.

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